



General Assembly

Amendment

January Session, 2007

LCO No. **9261**

SB0118309261SR0

Offered by:
SEN. CALIGIURI, 16th Dist.

To: Subst. Senate Bill No. **1183**

File No. 809

Cal. No. 357

"AN ACT CONCERNING THE PENSIONS OF STATE AND MUNICIPAL EMPLOYEES OR PUBLIC OFFICIALS CONVICTED OF FRAUD OR CORRUPTION AND THE PROTECTION OF WHISTLEBLOWERS."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsection (a) of section 3-20a of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective July*
5 *1, 2007*):

6 (a) Provisions of this section shall apply to general obligation bonds
7 or notes issued pursuant to section 3-20, special tax obligation bonds or
8 notes issued pursuant to sections 13b-74 to 13b-77, inclusive,
9 abandoned property fund bonds issued pursuant to section 3-62h,
10 Clean Water Fund bonds or notes issued pursuant to section 22a-483,
11 Bradley International Airport bonds or notes issued pursuant to
12 sections 15-101k to 15-101p, inclusive, unemployment compensation
13 bonds or notes issued pursuant to sections 31-264a and 31-264b,

14 UConn 2000 bonds or notes issued pursuant to sections 10a-109a to
15 10a-109y, inclusive, Second Injury Fund bonds or notes issued
16 pursuant to section 31-354b and sections 8 and 9 of public act 96-242*,
17 and revenue anticipation bonds issued pursuant to section 13b-79r,
18 and municipal pension solvency account bonds issued pursuant to
19 section 504 of this act.

20 Sec. 502. (NEW) (*Effective July 1, 2007*) As used in this section and
21 sections 503 and 504 of this act:

22 (1) "Municipal pension solvency account" means the account created
23 in section 503 of this act;

24 (2) "Loan program" means the loans given to municipalities by the
25 state pursuant to sections 503 and 504 of this act;

26 (3) "Municipality" means any metropolitan district, town,
27 consolidated town and city, consolidated town and borough, city,
28 borough, village, fire and sewer district, sewer district or public
29 authority and each municipal organization having authority to levy
30 and collect taxes or make charges for its authorized function;

31 (4) "Municipal pension solvency loan" means a loan made to a
32 recipient by the state from the municipal pension solvency account;

33 (5) "Municipal pension solvency account agreement" means a
34 written agreement between the state, acting by and through the
35 Treasurer and a recipient with respect to a municipal pension solvency
36 loan as provided under sections 503 and 504 of this act;

37 (6) "Priority list of eligible municipalities" means the list established
38 by the Treasurer and the secretary pursuant to subsection (f) of section
39 503 of this act;

40 (7) "Recipient" means a municipality receiving a municipal pension
41 solvency loan;

42 (8) "State bond anticipation note" means any note or notes issued by

43 the state in anticipation of the issuance of bonds;

44 (9) "Secretary" means the Secretary of the Office of Policy and
45 Management, or the secretary's designee;

46 (10) "Treasurer" means the State Treasurer, or the Treasurer's
47 designee;

48 (11) "Actuarial valuation" means a determination, certified by an
49 enrolled actuary by a method and using assumptions meeting the
50 parameters established by generally accepted accounting principles, of
51 the normal cost, actuarial accrued liability, actuarial value of assets and
52 related actuarial present values for a pension fund of a municipality as
53 of a valuation date not more than thirty months preceding the date of
54 any municipal pension solvency loan given to a municipality by the
55 state pursuant to sections 503 and 504 of this act, together with an
56 actuarial update of such valuation as of a date not more than three
57 months preceding the date of any such loan;

58 (12) "Actuarially recommended contribution" means the annual
59 required contribution of the municipality to the pension fund of the
60 municipality, as established by the actuarial valuation and determined
61 by an enrolled actuary in a method and using assumptions meeting the
62 parameters established by generally accepted accounting principles;

63 (13) "Chief executive officer" means (A) for a municipality, as
64 defined in section 7-187 of the general statutes, the officer defined in
65 section 7-193 of the general statutes, (B) for a metropolitan district, the
66 officer defined in the special act, charter, local ordinance or other local
67 law applicable to such metropolitan district, (C) for a district, as
68 defined in section 7-324 of the general statutes, the president of its
69 board of directors, (D) for a regional school district, the chairperson of
70 its regional board of education, and (E) for any other municipal
71 corporation having the power to levy taxes and to issue bonds, notes
72 or other obligations, such officer as prescribed by the general statutes
73 or in any special act, charter, special act charter, home-rule ordinance,
74 local ordinance or local law applicable to such municipal corporation;

75 (14) "Enrolled actuary" means a person who is enrolled by the Joint
76 Board for the Enrollment of Actuaries, established under Subtitle C of
77 Title III of the Employee Retirement Income Security Act of 1974, as
78 from time to time amended;

79 (15) "Obligation" means any bond or any other transaction that
80 constitutes debt in accordance with both municipal reporting
81 standards required under section 7-394a of the general statutes and the
82 regulations prescribing municipal financial reporting adopted by the
83 secretary pursuant to said section 7-394a; and

84 (16) "Unfunded past benefit obligation" means the unfunded
85 actuarial accrued liability of the pension fund determined by a method
86 and using assumptions meeting the parameters established by
87 generally accepted accounting principles.

88 Sec. 503. (NEW) (*Effective July 1, 2007*) (a) There is established an
89 account to be known as the "municipal pension solvency account"
90 which shall be a separate nonlapsing account within the General Fund.
91 The account shall contain: (1) The proceeds of notes, bonds or other
92 obligations issued by the state for the purpose of deposit in said
93 account and use in accordance with this section and section 504 of this
94 act; (2) payments received from any municipality in repayment of a
95 municipal pension solvency loan; (3) interest or other income earned
96 on the investment of moneys in said account; and (4) any additional
97 moneys made available from any sources, public or private, for the
98 purposes for which said account was established and for the purpose
99 of deposit in said account.

100 (b) Within the municipal pension solvency account, there shall be
101 two subaccounts: (1) A state bond receipts subaccount into which shall
102 be deposited the proceeds of notes, bonds or other obligations issued
103 by the state for the purpose of deposit in said account, and (2) an
104 additional moneys receipts subaccount into which shall be deposited
105 any additional moneys made available from any sources, public or
106 private, for the purposes for which said account was established and

107 for the purpose of deposit in such subaccount. Moneys in each
108 subaccount created under this subsection may be expended by the
109 Treasurer for any of the purposes of the municipal pension solvency
110 account and investment earnings of a subaccount shall be deposited in
111 such subaccount.

112 (c) In addition to the subaccounts established in subsection (b) of
113 this section, the Treasurer may establish such additional subaccounts
114 within the municipal pension solvency account as necessary to
115 effectuate the purposes of this section and section 504 of this act,
116 including, but not limited to, subaccounts (1) to segregate a portion or
117 portions of the corpus of the account or as security for revenue bonds
118 issued by the state for deposit in the account, (2) to segregate
119 investment earnings on all or a portion of the account, or (3) to
120 segregate moneys in the account that have previously been expended
121 for the benefit of a loan recipient from moneys that are initial deposits
122 in the account.

123 (d) Any moneys held by the Treasurer or by a trustee pursuant to an
124 indenture of trust with respect to municipal pension solvency account
125 bonds including pledged revenues, other pledged receipts, funds or
126 moneys and proceeds from the sale of such municipal pension
127 solvency account bonds, may, pending the use or application of such
128 proceeds for an authorized purpose, be (1) invested and reinvested in
129 such obligations, securities and investments as are set forth in
130 subsection (f) of section 3-20 of the general statutes, in participation
131 certificates in the Short Term Investment Funds created under sections
132 3-27a and 3-27f of the general statutes and in participation certificates
133 or securities of the Tax-Exempt Proceeds Fund created under section 3-
134 24a of the general statutes, or (2) deposited or redeposited in such bank
135 or banks as shall be provided in the proceedings authorizing the
136 issuance of municipal pension solvency account bonds. Unless the
137 proceedings provide otherwise, proceeds from investments authorized
138 by this subsection, less amounts required under the proceedings for
139 the payment of municipal pension solvency loan costs relating to such
140 municipal pension solvency account bonds, shall be credited to the

141 municipal pension solvency account.

142 (e) Investment earnings credited to the assets of the municipal
143 pension solvency account and to any subaccount of said account shall
144 become part of the assets of said account and such subaccount.

145 (f) (1) Amounts in the municipal pension solvency account shall be
146 available to the Treasurer to establish a loan program to provide loans
147 to any municipality to fund such municipality's employee pension
148 fund. Amounts in the municipal pension solvency account shall be
149 used only: (A) To make loans to municipalities at an interest rate to be
150 established pursuant to subdivision (2) of this subsection, provided
151 such loans shall not exceed a term of twenty years and shall have
152 principal and interest payments commencing not later than one year
153 after the date of issuance of the loan, (B) for the payment of costs for
154 administration and management of the municipal pension solvency
155 account, (C) to be invested and earn interest on moneys in said
156 account, (D) provided such amounts are not required for the purposes
157 of said account, to pay debt service on bonds of the state issued to fund
158 the municipal pension solvency account, or for the purchase or
159 redemption of such bonds, and (E) for any other purpose of the
160 municipal pension solvency account and the loan program.

161 (2) The interest rate on each municipal pension solvency loan shall
162 be the same as the interest rate paid by the state on the bonds, notes or
163 obligations issued by the state to finance such loan. Notwithstanding
164 this interest rate provision, the payment due under the municipal
165 pension solvency account agreement may include amounts
166 determined by the Treasurer to include the funding of issuance costs,
167 required reserves, carrying costs of reserves, interest penalties for late
168 payments and other administrative costs associated with the loan and
169 the loan program.

170 (g) (1) The secretary and the Treasurer shall maintain a priority list
171 of eligible municipalities and shall establish a ranking system for
172 making municipal pension solvency loans to municipalities. In

173 establishing such priority list and ranking system, the secretary and
174 the Treasurer shall consider all factors said secretary and Treasurer
175 deem relevant, including, but not limited to, the following:

176 (A) The amount of a municipality's unfunded pension liability;

177 (B) A municipality's ability to eliminate, or substantially eliminate,
178 its unfunded pension liability by taking a municipal pension solvency
179 loan under the loan program;

180 (C) The state's interest in assisting the maximum number of
181 communities with the funds available under the loan program; and

182 (D) The financial management factors that caused the municipality's
183 unfunded pension liability and the likelihood such practices will
184 continue in the future.

185 (2) Municipal pension solvency loans shall be made pursuant to a
186 municipal pension solvency account agreement between the state,
187 acting by and through the Treasurer, and the municipality seeking
188 such loan. A municipal pension solvency account agreement shall be in
189 a form prescribed by the Treasurer and the secretary and shall contain
190 penalty provisions for municipalities that fail to repay the loan in a
191 timely manner or make contributions to their pension funds as
192 required under such agreement. The agreement may include, but is not
193 limited to, the requirement for a general obligation pledge from the
194 municipality, a tax revenue intercept of the municipality, the required
195 funding of reserve funds or any such other credit enhancement
196 deemed necessary by the Treasurer and the secretary. Such agreement
197 shall also include provisions for repayment of the costs associated with
198 administering the loan program and the loan.

199 (3) Any municipality may apply to the state for a municipal pension
200 solvency loan to fund all or a portion of an unfunded past benefit
201 obligation, as determined by an actuarial valuation, and the payment
202 of costs related to the issuance of such bonds in accordance with the
203 following requirements:

204 (A) The municipality shall, within the time and in the manner
205 prescribed by regulations adopted by the Treasurer and the secretary,
206 or as otherwise required by the Treasurer and the secretary, include
207 with such application (i) the actuarial valuation, (ii) an actuarial
208 analysis of the method by which the municipality proposes to fund
209 any unfunded past benefit obligation not to be defrayed by the
210 municipal pension solvency loan, (iii) an explanation of the
211 municipality's investment strategic plan for the pension fund,
212 including, but not limited to, an asset allocation plan, (iv) a three-year
213 financial plan, including the major assumptions and plan of finance for
214 such municipal pension solvency loan, (v) a comparison of the
215 anticipated effects of funding the unfunded past benefit obligation
216 with the municipal pension solvency loan with the funding of the
217 obligation through the annual actuarially recommended contribution,
218 prepared in the manner prescribed by the secretary, and in accordance
219 with subparagraph (D) of this subdivision, (vi) documentation of the
220 municipality's authorization to apply for a municipal pension solvency
221 loan, including a certified copy of the resolution or ordinance of the
222 municipality authorizing the application for a municipal pension
223 solvency loan, (vii) documentation that the municipality has adopted
224 an ordinance, or with respect to a municipality not having the
225 authority to make ordinances, has adopted a resolution by a two-thirds
226 vote of the members of its legislative body, requiring the municipality
227 to appropriate funds in an amount sufficient to meet the actuarially
228 recommended contribution and contribute such amounts to the plan as
229 required in subdivision (3) of subsection (c) of this section, (viii) the
230 methodology used and actuarial assumptions that will be utilized to
231 calculate the actuarially recommended contribution, and (ix) such
232 other information and documentation as required by the secretary or
233 the Treasurer to carry out the provisions of this section. The secretary
234 and the Treasurer may hire an independent actuary or such other
235 professionals required to review the information submitted by the
236 municipality.

237 (B) As long as the municipal pension solvency loan is outstanding,

238 the municipality shall, for each fiscal year of the municipality,
239 commencing with the fiscal year in which the loan is made,
240 appropriate funds in an amount sufficient to meet the actuarially
241 recommended contribution and contribute such amount to the plan,
242 and notify the secretary annually, who shall subsequently notify the
243 Treasurer, of the amount or the rate of any such actuarially
244 recommended contribution and the amount or the rate, if any, of the
245 actual annual contribution by the municipality to the pension fund to
246 meet such actuarially recommended contribution. The municipality
247 shall provide the secretary and the Treasurer annually with: (i) The
248 actuarial valuation of the pension fund, (ii) a specific identification, in
249 a format to be determined by the secretary, of any changes that have
250 been made in the actuarial assumptions or methods compared to the
251 previous actuarial valuation of the pension fund, (iii) the footnote
252 disclosure and required supplementary information disclosure
253 required by GASB Statement Number 27 with respect to the pension
254 fund, and (iv) a review of the investments of the pension fund
255 including a statement of the current asset allocation and an analysis of
256 performance by asset class. In any fiscal year for which such
257 municipality fails to appropriate sufficient funds to meet the
258 actuarially recommended contribution in accordance with the
259 provisions of this subdivision, an amount sufficient to meet such
260 requirement shall be deemed appropriated, notwithstanding the
261 provisions of any other general statute or of any special act, charter,
262 special act charter, home-rule ordinance, local ordinance or local law.

263 (C) Proceeds of the municipal pension solvency loan, to the extent
264 not applied to the payment of costs related to the issuance of such loan,
265 shall be deposited in the pension fund of the municipality to fund the
266 unfunded past benefit obligation for which the loan was issued and
267 may be invested in accordance with the terms of said pension fund.

268 (D) The amortization schedule used to determine the actuarially
269 recommended contribution shall be fixed and shall have a term not to
270 exceed the longer of (i) ten years, or (ii) twenty years from the date of
271 issuance of the municipal pension solvency loan. If the funding ratio of

272 the pension fund, as determined immediately succeeding the deposit
273 of the proceeds of the loan into such pension fund, is reduced by thirty
274 per cent or more, the maximum permitted term of such amortization
275 schedule shall be reduced by the same percentage.

276 Sec. 504. (NEW) (*Effective July 1, 2007*) (a) For the purposes of this
277 section and section 503 of this act, the State Bond Commission shall
278 have the power, from time to time, to authorize the issuance of bonds,
279 bond anticipation notes or other obligations of the state in one or more
280 series and on such other terms and conditions as the Treasurer shall
281 determine to be in the best interests of the state.

282 (b) The proceeds of the sale of any bonds, state bond anticipation
283 notes or other obligations issued pursuant to sections 502 to 504,
284 inclusive, of this act shall be deposited in the municipal pension
285 solvency account established in section 503 of this act.

286 (c) All provisions of section 3-20 of the general statutes, or the
287 exercise of any right or power granted thereby which are not
288 inconsistent with the provisions of this section and section 503 of this
289 act are hereby adopted and shall apply to all bonds authorized by the
290 State Bond Commission pursuant to said sections, and temporary
291 notes in anticipation of the money to be derived from the sale of any
292 such bonds so authorized may be issued in accordance with said
293 section 3-20 of the general statutes and from time to time renewed.
294 None of said bonds shall be authorized except upon a finding by the
295 State Bond Commission that there has been filed with it a request for
296 such authorization, which is signed by or on behalf of the Secretary of
297 the Office of Policy and Management and states such terms and
298 conditions as said commission, in its discretion, may require. Said
299 bonds issued pursuant to this section and section 503 of this act may be
300 general obligations of the state and in such case the full faith and credit
301 of the state of Connecticut are pledged for the payment of the principal
302 of and interest on said bonds as the same become due, and accordingly
303 and as part of the contract of the state with the holders of said bonds,
304 appropriation of all amounts necessary for punctual payment of such

305 principal and interest is hereby made, and the Treasurer shall pay such
306 principal and interest as the same become due. Such general obligation
307 bonds shall mature at such time or times not exceeding twenty years
308 from their respective dates as may be provided in or pursuant to the
309 resolution or resolutions of the State Bond Commission authorizing
310 such general obligation bonds.

311 (d) Notwithstanding the provisions of subsection (c) of this section,
312 nothing in this section shall preclude the State Bond Commission from
313 authorizing the issuance of revenue bonds that are not general
314 obligations of the state of Connecticut to which the full faith and credit
315 of the state of Connecticut are pledged for the payment of the principal
316 and interest. Such revenue bonds shall mature at such time or times
317 not exceeding twenty years from their respective dates as may be
318 provided in or pursuant to the resolution or resolutions of the State
319 Bond Commission authorizing such revenue bonds. The revenue
320 bonds, revenue state bond anticipation notes and revenue state grant
321 anticipation notes authorized to be issued under this section and
322 section 503 of this act shall be special obligations of the state and shall
323 not be payable from nor charged upon any funds other than the
324 revenues or other receipts, funds or moneys pledged therefor as
325 provided in this section and section 503 of this act, including the
326 repayment of municipal loan obligations; nor shall the state or any
327 political subdivision thereof be subject to any liability thereon except
328 to the extent of such pledged revenues or the receipts, funds or
329 moneys pledged therefor as provided in this section and said section
330 503. The issuance of revenue bonds, revenue state bond anticipation
331 notes and revenue state grant anticipation notes under the provisions
332 of this section and said section 503 shall not directly or indirectly or
333 contingently obligate the state or any political subdivision of the state
334 to levy or to pledge any form of taxation whatever therefor or to make
335 any appropriation for their payment. The revenue bonds, revenue state
336 bond anticipation notes and revenue state grant anticipation notes
337 shall not constitute a charge, lien or encumbrance, legal or equitable,
338 upon any property of the state or of any political subdivision of the

339 state, except the property mortgaged or otherwise encumbered under
340 the provisions and for the purposes of this section and section 503 of
341 this act. The substance of such limitation shall be plainly stated on the
342 face of each revenue bond, revenue state bond anticipation note and
343 revenue state grant anticipation note issued pursuant to this section
344 and said section 503 shall not be subject to any statutory limitation on
345 the indebtedness of the state and such revenue bonds, revenue state
346 bond anticipation notes and revenue state grant anticipation notes,
347 when issued, shall not be included in computing the aggregate
348 indebtedness of the state in respect to and to the extent of any such
349 limitation. As part of the contract of the state with the owners of such
350 revenue bonds, revenue state bond anticipation notes and revenue
351 state grant anticipation notes, all amounts necessary for the punctual
352 payment of the debt service requirements with respect to such revenue
353 bonds, revenue state bond anticipation notes and revenue state grant
354 anticipation notes shall be deemed appropriated, but only from the
355 sources pledged pursuant to this section and said section 503. The
356 proceeds of such revenue bonds or notes may be deposited in the
357 municipal pension solvency account for use in accordance with the
358 permitted uses of said account. Any expense incurred in connection
359 with the carrying out of the provisions of this section, including the
360 costs of issuance of revenue bonds, revenue state bond anticipation
361 notes and revenue state grant anticipation notes may be paid from the
362 accrued interest and premiums or from any other proceeds of the sale
363 of such revenue bonds, revenue state bond anticipation notes or
364 revenue state grant anticipation notes and in the same manner as other
365 obligations of the state. All provisions of subsections (g), (k), (l), (s) and
366 (u) of section 3-20 of the general statutes or the exercise of any right or
367 power granted thereby which are not inconsistent with the provisions
368 of this section and said section 503, are hereby adopted and shall apply
369 to all revenue bonds, state revenue bond anticipation notes and state
370 revenue grant anticipation notes authorized by the State Bond
371 Commission pursuant to this section and said section 503. For the
372 purposes of subsection (o) of section 3-20 of the general statutes, "bond
373 act" shall be construed to include this section and said section 503.

374 (e) Any pledge made by the state pursuant to this section and
375 section 503 of this act is a statutory pledge and shall be valid and
376 binding from the time when the pledge is made, and any revenues or
377 other receipts, funds or moneys so pledged and thereafter received by
378 the state shall be subject immediately to the lien of such pledge
379 without any physical delivery thereof or further act. The lien of any
380 such pledge shall be valid and binding as against all parties having
381 claims of any kind in tort, contract or otherwise against the state,
382 irrespective of whether such parties have notice thereof. Neither the
383 resolution nor any other instrument by which a pledge is created need
384 be recorded.

385 (f) Bonds, state bond anticipation notes and state grant anticipation
386 notes issued pursuant to this section and section 503 of this act are
387 hereby made securities in which public officers and public bodies of
388 the state and its political subdivisions, all insurance companies, credit
389 unions, building and loan associations, investment companies,
390 banking associations, trust companies, executors, administrators,
391 trustees and other fiduciaries and pension, profit-sharing and
392 retirement funds may properly and legally invest funds, including
393 capital in their control or belonging to them. Such bonds, state bond
394 anticipation notes and state grant anticipation notes are hereby made
395 securities which may properly and legally be deposited with and
396 received by any state or municipal officer or any agency or political
397 subdivision of the state for any purpose for which the deposit of
398 bonds, state bond anticipation notes, state grant anticipation notes or
399 other obligations of the state is now or may hereafter be authorized by
400 law.

401 (g) The proceedings under which bonds are authorized to be issued
402 may, subject to the provisions of the general statutes, contain any or all
403 of the following: (1) Provisions respecting custody of the proceeds
404 from the sale of the bonds and any bond anticipation notes, including
405 any requirements that such proceeds be held separate from or not be
406 commingled with other funds of the state; (2) provisions for the
407 investment and reinvestment of bond proceeds utilized to pay project

408 costs and for the disposition of any excess bond proceeds or
409 investment earnings thereon; (3) provisions for the execution of
410 reimbursement agreements or similar agreements in connection with
411 credit facilities, including, but not limited to, letters of credit or policies
412 of bond insurance, remarketing agreements and agreements for the
413 purpose of moderating interest rate fluctuations, and of such other
414 agreements entered into pursuant to section 3-20a of the general
415 statutes, as amended by this act; (4) provisions for the collection,
416 custody, investment, reinvestment and use of the pledged revenues or
417 other receipts, funds or moneys pledged therefor as provided in this
418 section and section 503 of this act; (5) provisions regarding the
419 establishment and maintenance of reserves, sinking funds and any
420 other funds and accounts as shall be approved by the State Bond
421 Commission in such amounts as may be established by the State Bond
422 Commission, and the regulation and disposition thereof, or the
423 establishment of a reserve fund of the state into which may be
424 deposited any moneys appropriated and made available by the state
425 for such fund, any proceeds of the sale of bonds or notes, to the extent
426 provided in the resolution of the state authorizing the issuance thereof,
427 and any other moneys which may be made available to the state for
428 the purpose of such fund from any source whatever; (6) covenants for
429 the establishment of pledged revenue coverage requirements for the
430 bonds and state bond anticipation notes; (7) provisions for the issuance
431 of additional bonds on a parity with bonds theretofore issued,
432 including establishment of coverage requirements with respect thereto
433 as provided in this section; (8) provisions regarding the rights and
434 remedies available in case of a default to bondowners, noteowners or
435 any trustee under any contract, loan agreement, document, instrument
436 or trust indenture, including the right to appoint a trustee to represent
437 their interests upon occurrence of an event of default, as defined in
438 said proceedings, provided that if any bonds or state bond anticipation
439 notes shall be secured by a trust indenture, the respective owners of
440 such bonds or notes shall have no authority except as set forth in such
441 trust indenture to appoint a separate trustee to represent them; (9)
442 provisions for the payment of rebate amounts; and (10) provisions or

443 covenants of like or different character from the foregoing which are
444 consistent with sections 502 to 504, inclusive, of this act and which the
445 State Bond Commission determines in such proceedings are necessary,
446 convenient or desirable in order to better secure the bonds or state
447 bond anticipation notes, or will tend to make the bonds or state bond
448 anticipation notes more marketable, and which are in the best interests
449 of the state. Any provision which may be included in proceedings
450 authorizing the issuance of bonds hereunder may be included in an
451 indenture of trust duly approved in accordance with this section and
452 section 503 of this act which secures the bonds and any notes issued in
453 anticipation thereof, and in such case the provisions of such indenture
454 shall be deemed to be a part of such proceedings as though they were
455 expressly included therein.

456 (h) Whether or not any bonds, state bond anticipation notes or state
457 grant anticipation notes issued pursuant to this section and section 503
458 of this act are of such form and character as to be negotiable
459 instruments under the terms of title 42a of the general statutes, such
460 bonds, state bond anticipation notes and state grant anticipation notes
461 are hereby made negotiable instruments within the meaning of and for
462 all purposes of title 42a of the general statutes, subject only to the
463 provisions of such bonds, state bond anticipation notes and state grant
464 anticipation notes for registration.

465 (i) Pending the use and application of any bond proceeds, such
466 proceeds may be invested by, or at the direction of the Treasurer, in
467 obligations listed in section 3-20 of the general statutes or in
468 investment agreements rated within the top rating categories of any
469 nationally recognized rating service or in investment agreements
470 secured by obligations, of or guaranteed by, the United States or
471 agencies or instrumentalities of the United States.

472 (j) Any revenue bonds issued under the provisions of this section
473 and section 503 of this act and at any time outstanding may, at any
474 time and from time to time, be refunded by the state by the issuance of
475 its revenue refunding bonds in such amounts as the State Bond

476 Commission may deem necessary, but not to exceed an amount
477 sufficient to refund the principal of the revenue bonds to be so
478 refunded, to pay any unpaid interest thereon and any premiums and
479 commissions necessary to be paid in connection therewith and to pay
480 costs and expenses which the Treasurer may deem necessary or
481 advantageous in connection with the authorization, sale and issuance
482 of refunding bonds. Any such refunding may be effected whether the
483 revenue bonds to be refunded shall have matured or shall thereafter
484 mature. All revenue refunding bonds issued under this section shall be
485 payable solely from the revenues or other receipts, funds or moneys
486 out of which the revenue bonds to be refunded thereby are payable
487 and shall be subject to and may be secured in accordance with the
488 provisions of this section.

489 (k) The Treasurer shall have power, out of any funds available
490 therefor, to purchase revenue bonds, state revenue bond anticipation
491 notes and state revenue grant anticipation notes of the state issued
492 pursuant to this section and section 503 of this act. The Treasurer may
493 hold, pledge, cancel or resell such bonds or notes, subject to and in
494 accordance with agreements with bondholders or noteholders, as
495 applicable.

496 Sec. 505. (NEW) (*Effective July 1, 2007*) The Treasurer shall, in
497 consultation with the Secretary of the Office of Policy and
498 Management, adopt regulations, in accordance with the provisions of
499 chapter 54 of the general statutes, to carry out the purposes of sections
500 503 and 504 of this act, which may include, but not be limited to, the
501 administrative process for the servicing of loans."